

Gina Guillemette/Heartland Alliance for Human Needs & Human Rights

Testimony on Medicaid Reform Presented to the Governor's Healthcare Reform Implementation Council November 16, 2010 Gina Guillemette Director, Policy and Advocacy Heartland Alliance for Human Needs & Human Rights Thank you for this opportunity to provide testimony related to the implementation of healthcare reform in Illinois, and particularly related implications for the Medicaid program. Heartland Alliance is a service-based human rights organization focused on investments in and solutions for the most vulnerable men, women and children in our society. Through a network of dozens of direct service programs located throughout the Chicago-area, Heartland Alliance provides housing, health care, human services and human rights protections to hundreds of thousands of people each year. We are a health care provider to vulnerable populations, operating a federally qualified health center (FQHC) and several health clinics and school based health centers in Chicago as well as community-based treatment and prevention programs. We provide primary health care, oral health care, and a full range of mental health and addictions treatment services and prevention programs to people who are homeless, as well as to refugees and immigrants and other vulnerable populations. Based on this work our organizational experience with the Medicaid program is that of a health care provider that bills Medicaid as well as an advocate for those we serve, many of whom receive Medicaid or will become eligible under health reform. Illinois has an incredible opportunity to expand health coverage and improve quality through the Affordable Care Act. However, these changes must translate to increased access to health care and improved health outcomes to signify success for Illinois residents. The following components are essential to effectively strengthen the Medicaid program and achieve the goals of healthcare reform in Illinois.

Simplify enrollment – Several hundred thousand individuals will become eligible for Medicaid coverage under health reform. Enrolling these individuals, and those that are eligible but not enrolled, is an enormous task that requires simplified processes, effective enrollment tools, and an extended network to conduct outreach. Many of the newly-eligible are connected to public services elsewhere and Illinois should tap into that existing provider network to assist with outreach and enrollment. Illinois has had past success with relying on community-based partners to assist with enrollment through the KidCare Application Agent process and a similar effort should be explored here. As IHFS leaders have acknowledged, the existing Medicaid enrollment system is inadequate to this task. Illinois must invest in new technology to provide individuals as well as medical and service providers easy enrollment options. Every effort should be made to develop an integrated system so that the disconnected paper-based system is not replaced by a disconnected electronic system. In addition, the state must consider the inherent incentives various providers have to assist with enrollment. Health care providers are a natural ally, but those that do not accept Medicaid because of low reimbursement rates will have no incentive to assist patients with enrollment.

Provide adequate rates/provider infrastructure – Access to care is a problem for those currently eligible for Medicaid in that payment rates for services are so low that many health providers do not accept Medicaid. For those that do, they often must supplement Medicaid payment with other funding sources to cover the full cost of care, adding significantly more complicated and time consuming documentation, reporting and other administrative activities. As a result, the infrastructure of Medicaid providers statewide is inadequate to provide care for those covered. This problem will grow significantly as additional people become eligible. The state needs to increase provider rates to cover the cost of providing care, including the administrative and compliance related aspects. This is critical to providing a foundation for the provider infrastructure, but is also closely related to ensuring continuity of coverage between Medicaid and private health insurance via the exchange. Establishing a network of providers that accept Medicaid as well as private insurance will allow for flexibility as patients move back and forth between Medicaid and private insurance as their income changes without a disruption to their care.

Incentivize integrated services – Our current health care system requires individuals to manage multiple and distinct requirements for entry into siloed

systems of care. For example, areas of health that are impacted by one another, such as mental health and substance use, are treated in isolation. For those with chronic conditions or complex needs, this creates barriers to care that significantly reduce accessibility and quality of care at high cost to the individual in terms of quality of life and to the public in terms of increased costs. At the same time, fee for service reimbursement is problematic because it doesn't ensure that the service actually achieves desired health outcome. Illinois should incentivize collaboration across systems and amongst providers aimed at addressing the complex needs of vulnerable populations, such as those experiencing homelessness or living with a chronic mental illness. These integrated services should be designed around desired health outcomes and aim to reduce duplication in application, documentation, and reporting and co-locate to services to improve accessibility and engagement. Funding mechanisms should be adequate and recognize the complexity of services provided to achieve desired health outcomes. Many of the organizations that currently serve vulnerable populations, such as Heartland Alliance, are doing this weaving or braiding of services and funding to achieve desired outcomes and can offer lessons learned for broader state reform. Increase home and community-based service options – The Affordable Care Act creates new options to expand the availability of home and community-based services. Illinois should take advantage of these options and reform its state Medicaid plan to utilize effective approaches, such as permanent supportive housing, to meet health care needs of those with complex needs. This would entail Medicaid coverage for things that are essential to achieve positive health outcomes for vulnerable populations, such as case management and counseling, medication monitoring, substance abuse treatment, life skills training, family support and care coordination, referrals and transition support. For many individuals with chronic conditions, home and community-based care is both more appropriate, results in a better quality of life, and is far less expensive than institutionalization. Promote prevention and wellness – A significant amount of health care spending goes to treat conditions that are preventable, such as heart disease and diabetes. Illinois Medicaid currently targets coverage to a range of treatment services for individuals with physical and mental health diagnoses with far less emphasis on preventing costly illness. Prevention and wellness services, such as smoking cessation, nutrition counseling/education, obesity prevention, and substance abuse prevention, can reduce behaviors that have negative impact on health outcomes while promoting positive ones. Including prevention and wellness activities as covered services under Medicaid will result in decreased public spending on treatment of avoidable conditions which are far more expensive to treat than they are to prevent. In closing, it is in Illinois' best interest to ensure that the most vulnerable in our society benefit from the opportunities presented through the Affordable Care Act. It is more cost effective and produces a much higher quality of living for the residents of our state. We welcome the opportunity to participate in the working groups and committees that will bring together various experts to partner with the State in designing and implementing health reform in Illinois.

Thank you. Gina Guillemette Director, Policy and Advocacy Heartland Alliance for Human Needs & Human Rights 33 W. Grand Avenue, Suite 500 Chicago, IL 60654 312.296.1313
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